

1986**Corporation Franchise
or Income Tax Return****100**

Check one: <input type="checkbox"/> Calendar year 1986 <input type="checkbox"/> Fiscal year beginning _____, 1986, ending _____, 1987.	
Affix Preaddressed Label	
California Corporation Number	Federal Employer Identification Number
Corporation	
Address	
City	State Zip Code

A Final Return? ☐ Dissolved ☐ Withdrawn ☐ Merged/Reorganized
☐ IRC 338 Sale If a box is checked, enter date _____

B Is income included in a combined report of a unitary group? • ☐ Yes ☐ No

C Check whether control and/or ownership of this corporation changed or if control and/or ownership of any other entity was acquired during:
 • ☐ 1985 ☐ 1986 ☐ neither

D Did the corporation or combined group pay more than \$100,000 in local personal property taxes and/or business license taxes in California during this income year?
 • ☐ Yes ☐ No

E Principal business activity code (see federal instructions) • _____

F Is the corporation claiming enterprise zone or program area tax benefits?
 (see instructions for lines 13 and 18) • ☐ Yes ☐ No

G Check here if Form 3519 is attached: • ☐

State Adjust- ments	1 Net income before state adjustments (see Specific Line Instructions)	1		
	2 Amount deducted for foreign or domestic tax based on income or profits (Schedule A)	2		
	3 Amount deducted for tax under the provisions of the Bank and Corporation Tax Law (Schedule A)	3		
	4 Interest on government obligations	4		
	5 Net capital loss carryover deducted on Schedule G, line 9a	5		
	6 Depreciation in excess of amount allowed under California law (Schedule B)	6		
	7 Amortization in excess of amount allowed under California law (Schedule B)	7		
	8 Other additions (attach schedule)	8		
	9 Total of lines 1 to 8, inclusive	9		
	10 a Intercompany dividends	10a		
	b Other dividends (Schedule H)	10b		
c Capital losses not deducted on Schedule G, line 9a (attach schedule)	10c			
d Contributions exceeding allowable federal deduction on Schedule G, line 19 ..	10d			
e Interest deduction for enterprise zone/program area investment	10e			
f Other deductions (attach schedule)	10f			
11 Net income after state adjustments. Subtract line 10 from line 9.	11			

If all income is derived from California sources, transfer amount from line 11 to line 12.

If income is derived from sources both within and without California, complete Schedule R (Form 100) and transfer amount from Schedule R, line 24 to line 12 below.

Taxes	12 Net income for state purposes	12		
	13 Net operating loss carryover allowed under California law from prior year •	13		
	14 Net income for tax purposes. Subtract line 13 from line 12. •	14		
	15 Tax _____% of amount on line 14 (see instructions B and C)	15		
	16 Net financial corporation offset (see Specific Line Instructions)	16		
	17 Balance. Subtract line 16 from line 15 (not less than the greater of 9.6% x line 14 or minimum tax)	17		
Pay- ments	18 Total credits from Schedule C, line 8	18		
	19 Tax balance. Subtract line 18 from line 17 (not less than minimum tax if applicable). ■	19		
	20 Tax on preference income (attach Schedule P (Form 100). See instruction J)	20		
	21 Total tax. Add lines 19 and 20	21		
	22 a Overpayment from prior year allowed as a credit	22a		
	b 1986 Estimated tax payments	22b		
Balance Due or Refund	c Paid with application for extension of time to file return	22c		
	d Dissolving/Withdrawing - Not applicable if formed after 1971 (see instr. P) ..	22d		
	23 Tax due. Subtract line 22 from line 21. Pay amount with return	23		
	24 Overpayment. Subtract line 21 from line 22	24		
	25 Enter amount of line 24 to be credited to 1987 estimated tax	25		
	26 Enter amount of line 24 to be refunded	26		
Penalties and interest	27 Penalties and interest (see instructions M and N)	27		
	<input type="checkbox"/> Check box if estimate penalty was computed based on Exception C or Exception D (attach Form 5806)			
	28 Total amount due. Pay amount with return	28		

Make remittance payable to Franchise Tax Board — Mail to: Franchise Tax Board, P.O. Box 942857, Sacramento, CA 94257-0501

Schedule A Taxes Deducted

Nature of Tax	Taxing Authority	Amount

Total Taxes Deducted (Enter here and on Side 1, lines 2 and/or 3)**Schedule B Depreciation and Amortization** (attach FTB 3885 or a detailed schedule in support of this schedule)

Part A. Depreciation Claimed		Part B. Amortization Claimed	
1 Total depreciation claimed		1 Total amortization claimed	
2 Allowable for state purposes		2 Allowable for state purposes	
3* Depreciation adjustment		3* Amortization adjustment	

* If line 1 is greater than line 2, enter difference at line 3 and on side 1, lines 6 or 7.

If line 2 is greater than line 1, enter difference at line 3 and on side 1, line 10f.

Note: California has not adopted the federal Accelerated Cost Recovery System (ACRS). See exceptions on Form FTB 3885, Depreciation and Amortization.**Note:** If the Asset Guideline Class method (Fed. Rev. Proc. 77-10) is used for computing depreciation for state purposes, do not use the lower limit or upper limit (ADR) ranges.**Schedule C Tax Credits**

1 Jobs Tax Credit(s)		5 Solar Energy	
2 Energy Conservation		6 Computer Contribution	
3 Ridesharing		7 Other (attach schedules)	
4 Alcohol fuel device		8 Total (Enter on side 1, line 18)	

Schedule D Cost of Goods Sold

1 Inventory at beginning of year	1	
2 Merchandise bought for manufacture or sale	2	
3 Salaries and wages	3	
4 Other costs (attach schedule)	4	
5 Total. Add lines 1 through 4	5	
6 Inventory at end of year	6	
7 Cost of goods sold. Subtract line 6 from line 5. Enter here and on Schedule G, line 2	7	

Method of inventory valuation ▶

Was there any substantial change in the manner of determining quantities, costs or valuations between opening and closing inventory? ☐ Yes ☐ No

If "Yes," attach an explanation. Enter California sales permit number (if any) ▶

Questions**H** Date incorporated _____ Where? _____**I** Date business began in California or date income was first derived from California sources _____**J** Accounting method used _____**K** Location of principal accounting records _____**L** Has the federal government redetermined your income tax liability for any prior year(s) which has not previously been reported? ☐ Yes ☐ No
Furnish copy of agent's report under separate cover.**M** First Return? (Check appropriate box(es))☐ New business or successor to previously existing business operated as a:☐ sole proprietorship ☐ partnership ☐ joint venture ☐ corporation ☐ other
(attach statement showing name, address and FEIN of previous business)**N** At any time during the income year, was more than 50% of voting stock:**a** of the corporation owned by any single interest? ☐ Yes ☐ No**b** of another corporation owned by this corporation? ☐ Yes ☐ No**c** of this and one or more other corporations owned or controlled, directly or indirectly, by the same interests? ☐ Yes ☐ NoIf **a**, **b**, or **c** is "yes" furnish statement of ownership indicating pertinent names, addresses, and percentages of stock owned. If the owner(s) is an individual, provide the social security number.**O** Have all required information returns (Forms 599) been filed?☐ N/A ☐ Yes ☐ No**P** Provide corporation "doing business as" name if different than corporation name _____**Q** Was the corporation's income included in a consolidated federal return? ☐ Yes ☐ No**Sign Here**

Under penalties of perjury, the undersigned declares: I have examined this return, and to my knowledge and belief, it is true, correct and complete.

Signature of officer ▶

Title

Date

Telephone ()

Paid Preparer

Preparer's signature ▶

Date

Check if self-employed ☐

Preparer's social security number

Firm's name (or yours, if self-employed) and address ▶

E.I. No. ▶

Telephone ▶ ()

Schedule E Compensation of Officers

1 Name of officer	2 Social security number	3 Percent of time devoted to business	4 Percent of stock owned	5 Amount of compensation
		%	%	
		%	%	
		%	%	
		%	%	

Total compensation of officers. Enter here and on Schedule G, line 12

Schedule F Bad Debts — Reserve Method

1 Income year	2 Trade notes and accounts receivable outstanding at end of year	3 Sales on account	Amount added to reserve		6 Amount charged against reserve	7 Reserve for bad debts at end of year
			4 Current year's provision	5 Recoveries		
1981						
1982						
1983						
1984						
1985						
1986						

Schedule G Computation of Net Income (See instruction I)

GROSS INCOME	1 Gross receipts or gross sales	Less: Returns and allowances	1	
	2 Cost of goods sold (Schedule D) and/or operations (attach schedule)		2	
	3 Gross profit. Subtract line 2 from line 1		3	
	4 Dividends (complete Schedule H)		4	
	5 Interest on obligations of the United States and U.S. instrumentalities		5	
	6 Other interest (attach schedule)		6	
	7 Gross rents		7	
	8 Gross royalties		8	
	9 a Capital gain net income (attach federal Schedule D (Form 1120)) *		9a	
	b Ordinary gain (loss) (attach federal Form 4797)		9b	
	10 Other income (attach schedule)		10	
	11 Total income. Add lines 3 to 10, inclusive		11	
* Capital loss carryover deducted on line 9a must be restored to income on side 1, line 5. Any net capital loss not reported on line 9a may be deducted on side 1, line 10c.				
DEDUCTIONS	12 Compensation of officers (Schedule E)	12		
	13 Salaries and wages (not deducted elsewhere)	13		
	14 Repairs	14		
	15 Bad debts (complete Schedule F if reserve method is used)	15		
	16 Rents	16		
	17 Taxes (Schedule A)	17		
	18 Interest	18		
	19 Contributions (attach schedule)	19		
	20 Amortization (Schedule B and FTB 3885)	20		
	21 Depreciation (Schedule B and FTB 3885)	21		
	22 Depletion (attach schedule)	22		
	23 Advertising	23		
	24 Pension, profit-sharing, etc., plans	24		
	25 Employee benefit plans	25		
	26 Other deductions (attach schedule)	26		
	27 Total deductions. Add lines 12 to 26, inclusive	27		
	28 Net income before state adjustments. Subtract line 27 from line 11 and transfer result to side 1, line 1	28		

Schedule H Dividend Income (attach additional sheet(s) if necessary)

Name of Payer	Dividend Received	Type of Stock Common/Preferred

Schedule L Balance Sheets	Beginning of income year		End of income year	
Assets	(a)	(b)	(c)	(d)
1 Cash				
2 Trade notes and accounts receivable				
a Less allowance for bad debts				
3 Inventories				
4 Federal and state government obligations				
5 Other current assets (attach schedule)				
6 Loans to stockholders/officers (attach schedule) ...				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9 Buildings and other fixed depreciable assets				
a Less accumulated depreciation				
10 Depletable assets				
a Less accumulated depletion				
11 Land (net of any amortization)				
12 Intangible assets (amortizable only)				
a Less accumulated amortization				
13 Other assets (attach schedule)				
14 Total assets				
Liabilities and Stockholders' Equity				
15 Accounts payable				
16 Mtges., notes, bonds payable in less than 1 yr.				
17 Other current liabilities (attach schedule)				
18 Loans from stockholders				
19 Mtges., notes, bonds payable in 1 yr. or more				
20 Other liabilities (attach schedule)				
21 Capital stock: a Preferred stock				
b Common stock				
22 Paid-in or capital surplus (attach reconciliation) ...				
23 Retained earnings — Appropriated (attach sch.) ...				
24 Retained earnings — Unappropriated				
25 Less cost of treasury stock				
26 Total liabilities and capital				

Schedule M - 1 Reconciliation of Income Per Books with Income Per Return

Do not complete this schedule if amount on line 14, column (d), of Schedule L is less than \$25,000.

1 Net income per books		7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax		a Tax-exempt interest \$	
3 Excess of capital losses over capital gains			
4 Taxable income not recorded on books this year (itemize)		8 Deductions in this tax return not charged against book income this year (itemize)	
5 Expenses recorded on books this year not deducted in this return (itemize)		a Depreciation \$	
a Depreciation \$		b Depletion \$	
b Depletion \$			
6 Total of lines 1 through 5		9 Total of lines 7 and 8	
		10 Income: line 6 less line 9	

Schedule M - 2 Analysis of Unappropriated Retained Earnings Per Books (line 24, Schedule L)

Do not complete this schedule if amount on line 14, column (d), of Schedule L is less than \$25,000.

1 Balance at beginning of year		5 Distributions: a Cash	
2 Net income per books		b Stock	
3 Other increases (itemize)		c Property	
		6 Other decreases (itemize)	
4 Total of lines 1, 2 and 3		7 Total of lines 5 and 6	
		8 Balance at end of year (line 4 less line 7)	